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REVIEW AND EVALUATION OF WORK PROGRAMMES (MID-TERM)

Draft conclusions and decisions of the Trade and Development Board on the Mid-term Review */

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*/ At its 843rd plenary meeting, on 27 May 1994, the Trade and Development Board adopted these conclusions and decisions without amendment, subject only to minor editorial corrections which have been incorporated in the present text.

Subsequently, this text will be issued in part I of the final report of the Board on the resumed second part of its fortieth session (future TD/B/40(2)/26) as conclusions and decisions 415 (XL).

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CONCLUSIONS AND DECISIONS

Preparatory process for the Mid-term Review by the Trade and Development Board

1. Paragraph 68 of the Cartagena Commitment requires the Trade and Development Board to "conduct, midway between Conferences, a review and evaluation of the work programme of the intergovernmental machinery, including its own; of technical assistance programmes; and, bearing in mind the calendar established in this regard, of the programme budget and medium-term plan, so as to ensure full integration of all work undertaken by UNCTAD and to establish or adjust priorities for the period up to the following Conference."

2. The Board, at the first part of its fortieth session, decided to make provision for the holding of a resumed session of the Board (25 - 27 May 1994) for the Mid-term Review.

3. A Mid-term Review Informal Working Group, composed of representatives of States members of UNCTAD, was established by the monthly consultations of the Secretary-General on 17 January 1994. The Informal Working Group held its first meeting on 4 February 1994 and was chaired by the Secretary-General of UNCTAD.

4. On the understanding that there would be no attempt to rewrite the provisions of the Cartagena Commitment, the first meeting confirmed that the work of the Informal Working Group would comprise:

(a) A review of the work programmes of UNCTAD intergovernmental bodies, in the context of which account would be taken of the extent to which effect has been given to the recommendations of UNCTAD VIII. This exercise would also include an assessment of the implementation of the institutional reforms contained in Part III of the Cartagena Commitment. It would in addition encompass a review of the structure of UNCTAD's intergovernmental machinery, including possible modifications in the structure of the Ad Hoc Working Groups, and an evaluation of the current focus of the various Standing Committees;

(b) A policy review of UNCTAD technical cooperation programmes, on the basis of the report prepared by Dame Margaret Anstee and Mr. Leelananda de Silva (TD/B/40(2)/14);

(c) The task of integrating more effectively the various areas of UNCTAD's work and looking again at priorities among subprogrammes and activities in the context of the medium-term plan and the programme budget.

5. The first meeting also agreed that the work of the Informal Working Group should proceed in an informal, transparent and open-ended manner. The objective was to prepare and carry forward, as far as possible, the work required for the Mid-term Review, including, if possible, the preparation of a draft document for adoption by the Board at its resumed session on the Mid-term Review in May 1994.

6. The Mid-Term Review Informal Working Group held a total of nine meetings. A report of the proceedings of these meetings is contained in TD/40(2)/L.7 and Add.1.

Assessment of the post-Cartagena experience by the Trade and Development Board

7. Considerable progress has been achieved in the implementation of the Cartagena Commitment. The process of intergovernmental deliberation, in particular the exchange of national experiences, has been useful. The structures and working methods established by UNCTAD VIII have shown considerable potential for achieving the desired results. Experience with the ad hoc working group mechanism has been especially valuable. The meetings of these groups have by and large been characterized by a high technical level of discussions, a substantial volume of work, and several conclusions providing orientations for future work and creating the premises for further movement in the dynamic and progressive sequence envisaged by the Cartagena Commitment.

8. At the same time, the work of the Mid-term Review Informal Working Group, the reports of the Ad Hoc Working Groups and the assessments by the presiding officers of subsidiary bodies have helped the Board to identify the following areas where scope exists for improvement and change:

(a) Given the existing resource constraints of member States and of the UNCTAD secretariat and calendar constraints between now and UNCTAD IX, a streamlining of the structure of the subsidiary bodies of the Board and of working methods is necessary. In particular, there should be fewer intergovernmental bodies and these should have more focused mandates, as well as more realistic and achievable objectives. There is also a need for fewer meetings, and for strict adherence to the existing guidelines on agendas and documentation;

(b) Unnecessary duplication should be avoided, both within UNCTAD and between the work of UNCTAD's intergovernmental bodies and that of other organizations. At the same time, scope exists for complementarity, whereby issues considered in other organizations are

examined from the particular perspectives of UNCTAD;

(c) Some interested developing countries, and in particular the least developed countries (LDCs), face difficulties in participating in the work of UNCTAD's intergovernmental bodies. This applies particularly to the participation of experts from capitals. It was also recognized that the specific concerns of the LDCs should be better reflected in the documents as well as in the agendas of the intergovernmental mechanisms of UNCTAD;

(d) More attention needs to be given to making the outcomes of intergovernmental deliberations more policy- and action-oriented, with a view to agreeing on implementable commitments whenever possible, in accordance with paragraph 57 of the Cartagena Commitment.

Trade and Development Board

Regular sessions

9. The frequency and content of the regular sessions of the Board were confirmed by the Conference at its eighth session. Consequently, proposals for change in this regard would have to be put, as appropriate, to UNCTAD IX. Proposals made on, inter alia, a reduction of the duration of Board meetings and the inclusion of a high-level segment, including the possible holding of a Ministerial Meeting of the Board between Conferences, should be considered further by the Board in preparation for a decision by the Conference. For this purpose, the secretariat is requested to examine the implications of the various proposals, and to report thereon to the Board.

10. Paragraph 67 of the Cartagena Commitment states that "the policy function of the Board should be strengthened. The Board should be more active in adapting the organization's work to changing worldwide economic circumstances, reviewing work programmes and priorities, promoting greater efficiency and reacting to reports from its subsidiary bodies in order to give impetus to ongoing work." In order to contribute to this task, the agenda items chosen for consideration by the Board should be focused so as to allow the Board to provide policy guidance. Topics should be chosen which reflect UNCTAD's institutional comparative advantage, as well as allowing for a degree of complementarity with the work of other organizations. Moreover, the choice of topics should also be guided by the requirements of the Cartagena Commitment and by the need to ensure synergy with the work of the Board's subsidiary bodies. The practice of inviting experts should be continued.

Executive sessions of the Board

11. The executive session of the Board remains a valuable mechanism, even though it has not fully lived up to expectations. It is generally agreed that modalities should be worked out to make optimal use of this mechanism. Further modifications may be necessary, moreover, in the light of any decisions taken by UNCTAD IX on the frequency and scope of regular sessions of the Board.

12. With regard to modalities for improvement, the suggestion was made to hold two types of meetings for the executive session. One would be a pre-sessional meeting called to deal mainly with procedural/administrative/ organizational matters. The other, also to be convened at regular intervals between statutory meetings of the Board, would handle mainly policy matters. The secretariat is requested to propose, in consultation with member States, further refinements of the functioning and role of the executive sessions, taking into consideration the functions of the regular sessions of the Trade and Development Board, and to report to the next regular session of the Board.

Standing Committees

13. The Standing Committees have not been able to carry out enough of their work programmes to allow for an in-depth review of their performance at this stage. In any case, the Cartagena Commitment calls for such a review to be carried out immediately before UNCTAD IX. In the meantime, however, the agendas of the Standing Committees should be more focused and made to reflect clear priorities.

14. For this purpose, forthcoming meetings of the Standing Committees should consider no more than two substantive topics, which could be examined previously by expert groups as appropriate. Greater benefit could be derived from the participation of experts in Standing Committees meetings themselves. The interventions of experts should be better integrated in the meetings in order to allow, in particular, for an in-depth dialogue between the experts and the delegations.

15. The Board takes note of the recommendations proposed by the Chairmen of the Standing Committees in their assessments.

Ad Hoc Working Groups

16. The Board agrees that the five existing Ad Hoc Working Groups have addressed, albeit in varying degrees, all elements in their respective terms of reference and that they should be wound up.

17. It will be recalled that the Trade and Development Board, by its decision 399 (XXXIX) of 9 October 1992, established an Ad Hoc Working Group to Explore the Issue of Structural Adjustment for the Transition to Disarmament. The Board notes that the terms of reference for this Ad Hoc Working Group have not yet been established and that consultations are continuing in that connection.

18. With regard to trade efficiency, further to the recommendation of the Ad Hoc Working Group on Trade Efficiency, the Board decides to establish a Preparatory Committee for the United Nations International Symposium on Trade Efficiency (UNISTE). The Board further agrees to meet in an executive session at the earliest appropriate opportunity after UNISTE and to consider such follow-up work as might be needed.

19. The Board considers that, in order to permit expert, in-depth treatment of topics, the number of new ad hoc working groups should be limited to three.

20. The Board decides to establish three ad hoc working groups focusing respectively on the following three broad topics:

- Ad Hoc Working Group on Trade, Environment and Development

- Ad Hoc Working Group on the Role of Enterprises in Development

- Ad Hoc Working Group on Trading Opportunities in the New International Trading Context.

21. The Cartagena Commitment requires that these working groups should have a very specific mandate. In order to achieve this objective and also to permit the new groups to start their substantive work immediately upon their formation, the Board approved terms of reference/work programmes (see annex) and decided that, at a subsequent executive session, it would approve agendas for the first session of the groups. This decision is on the understanding that broad policy aspects of some of the issues covered by the above working groups, such as sustainable development and trade policy, would be dealt with by the Trade and Development Board.

22. The Board agrees to the holding of a seminar on regional economic arrangements and their relationship with the multilateral trading system. It was understood that the seminar would be organized on the same financial basis as the Ad Hoc Working Groups.

23. The Board decides to address the modalities for dealing with the implications for trading opportunities of developing countries and countries in transition concerned of new and emerging issues on the international trade agenda at an executive session to be convened at the earliest possible opportunity.

Policy review of technical cooperation

24. The Board had before it the report on "Technical cooperation: implementing the Cartagena Commitment" prepared by Dame Margaret Anstee and Mr. Leelananda de Silva (TD/B/40(2)/14) at the request of the Secretary-General of UNCTAD. Member States reaffirm their strong support for technical cooperation as one of the main functions of UNCTAD. The Board expresses its appreciation of the report and welcomes its overall thrust with its emphasis on the need to strengthen UNCTAD's technical cooperation, within the functions outlined for UNCTAD in paragraph 50 of the Cartagena Commitment.

25. The Board decides to convene a special executive session at the earliest possible opportunity to complete its review of the report and, in the light thereof, to decide on the recommendations contained therein. The Board, while recognising that decisions on the organizational structure of UNCTAD fall within the purview of the secretariat, invites the Secretary-General of UNCTAD to examine the implementation, within existing resources, of those recommendations aimed at increasing transparency and overall administrative efficiency. It also requests the Secretary-General to report to the Board in executive session on the findings of this examination and on what subsequent action may be taken.

Commission on Transnational Corporations and Commission on Science and Technology for Development

26. The Board considers that the Commission on Transnational Corporations and the Commission on Science and Technology for Development should be integrated into the intergovernmental machinery of UNCTAD. It takes note that the Commission on Transnational Corporations, at its twentieth session on 11 May 1994, adopted a resolution in which it decided to recommend to the General Assembly through the Economic and Social Council that that Commission should become a Commission of the Trade and Development Board under the title of "Commission on International Investment and Transnational Corporations". Without prejudice to the decision of the Economic and Social Council and the General Assembly on this recommendation, the Board wishes to respond to the request addressed to it in that resolution at the earliest possible moment and requests the Secretary-General of UNCTAD to act accordingly.

Financial and programme issues

27. The Board agrees that the participation of experts and officials involved in policy formulation is particularly useful and should be extended. It recognizes, however, that such participation by developing countries, and by LDCs in particular, has been inadequate. In order to facilitate the participation of a wide range of countries, notably the LDCs, the Board decides to study the possibility of financing it from the programme budget under budget lines for travel of representatives and requests the secretariat to present the financial implications of such a proposal at the next session of the Board.

28. In the light of the outcome of the Mid-term Review, the Board will review priorities among subprogrammes in the medium-term plan. In the revision of the Medium-term Plan for 1992-1997 carried out following UNCTAD VIII, the Board identified subprogrammes to be designated as having high priority. The Working Party on the Medium-term Plan and the Programme Budget would review revisions to the medium-term plan at its forthcoming (twenty-third) session scheduled for 20-24 June 1994, and the Board will subsequently decide on any changes in priority among subprogrammes as a result.

843rd plenary meeting
27 May 1994

Annex

TERMS OF REFERENCE OF THE AD HOC WORKING GROUPS

I. Terms of reference of the Ad Hoc Working Group on Trade, Environment and Development

The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX), as amended, and " A New Partnership for Development: the Cartagena Commitment", adopted at the eighth session of the United Nations Conference on Trade and Development which recognizes that "UNCTAD should play an important role in the implementation of Agenda 21... taking into account the interrelationship between development, international trade and environment and in accordance with its mandate of sustainable development",

Referring to Agenda 21, and particularly paragraph 2.21 which requests governments to strive to make international trade and environmental policies mutually supportive in favour of sustainable development through relevant multilateral forums, including GATT (WTO) and UNCTAD,

Taking note that the Trade and Development Board, at the first part of its fortieth session, focused UNCTAD's role on policy analysis and debate, conceptual work, the building of consensus among member States on the interaction between environmental and trade policies, the dissemination of information to policy-makers and encouragement and provision of assistance in capacity building,

Decides to establish an Ad Hoc Working Group on Trade, Environment and Development to examine, with a view to promoting sustainable development, the interlinkages between trade, environment and development and related policies, paying particular attention to the problems and special circumstances of the developing countries, including the least developed among them, with the following terms of reference:

1. To examine the effects of environmental policies, standards and regulations on market access and competitiveness, in particular of the developing countries, especially the least developed among them, and countries in transition, taking into account the financial and technological implications;

2. To identify and analyse emerging environmental policy instruments with a trade impact, bearing in mind the need for international cooperation towards ensuring transparency and coherence in making environmental and trade policies mutually supportive;

3. To explore the market opportunities and implications for exporters which may flow from the demand for "environmentally friendly" products, taking into account the benefits and costs associated with reducing the negative environmental effects of production processes and consumption. The work of the Working Group will initially consider ways and means to define and certify environmentally friendly products;

4. To study eco-labelling and eco-certification schemes, and possibilities for international cooperation in this field, taking into account the trade and sustainable development interests of producing countries, particularly developing countries and countries in transition. The work of the Working Group will initially focus on:

(a) a comparative analysis of current and planned schemes, with a view to discussing concepts such as mutual recognition of eco-labels and equivalencies between environmental objectives and criteria;

(b) an examination of the possibilities for taking into account the interests of developing countries in the elaboration of eco-labelling criteria.

5. The Working Group should identify for consideration areas in which technical cooperation should be strengthened.

6. The work of the Working Group should be coordinated with that of other Committees and Working Groups, including the Standing Committee on Commodities.

7. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

8. The work of the Working Group should complement that of other international bodies, while seeking to ensure that no duplication occurs. The Working Group should consider ways to promote interaction between UNCTAD and other intergovernmental and regional organizations working in this field, taking into account the relevant decisions of the second meeting of the Commission on Sustainable Development.

9. The Working Group shall complete its work before the ninth session of the Conference. It may submit interim reports and shall submit its final report on the results of its work to the Trade and Development Board.

10. The Working Group plans its work schedule according to established practice, bearing in mind the work load and the need to finish before the ninth session of the Conference.

II. Terms of reference of the Ad Hoc Working Group on the Role of Enterprises in Development

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to a New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, the Trade and Development Board, having undertaken the mid-term review and evaluation of the work programme of the intergovernmental machinery of UNCTAD, called for by UNCTAD VIII, decides to establish an Ad Hoc Working Group on the Role of Enterprises in Development, with the following terms of reference:

1. The Ad Hoc Working Group should analyse the relationship between the development of an domestic entrepreneurial capacity, in particular for the development of small and medium-sized enterprises (SMEs), and the development process. Particular attention should be paid to the situation of the least developed countries.

2. Topics for analysis should cover:

(a) Role of the State in creating an enabling environment for the promotion of entrepreneurship and the viable development of enterprises, especially SMEs, with reference to the following topics:

(i) Regulatory framework and incentives structures;
(ii) Human resources development;
(iii) Institution building and institutional support;
(iv) The informal sector and its integration into the formal economy;

(b) Interactions between the development of SMEs and of capital markets and banking systems:

(i) Generation of domestic savings;
(ii) Access to capital markets and other sources of financing;

(c) Export development and the role of SMEs giving due consideration to possible advantages arising from the globalization process;

(d) Identification of areas where technical cooperation in support of policy development to enhance the role of SMEs could be strengthened.

3. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

4. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

5. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs.

6. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

7. The Working Group may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

III. Terms of reference of the Ad Hoc Working Group on Trading Opportunities in the New International Trading Context

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to a New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, the Trade and Development Board, having undertaken the mid-term review and evaluation of the work programme of the intergovernmental machinery of UNCTAD, called for by UNCTAD VIII, decides to establish an Ad Hoc Working Group on Trading Opportunities in the New International Trading Context, with the following terms of reference:

1. To identify new trading opportunities arising from the implementation of the Uruguay Round agreements, in particular sectors and markets, with a view to enhancing the ability of developing countries, in particular the least developed countries, and countries in transition concerned to take full advantage of such opportunities;

2. To enhance the understanding of the implications of the new rules deriving from the Uruguay Round agreements and their follow-up, and to identify where and how developing countries and economies in transition concerned could be assisted to:

(a) make use of the special clauses of the Final Act providing differential and more favourable treatment; and

(b) implement and benefit from the commitments undertaken;

3. To analyse the modalities to give effect to the decision on special provisions for least developed countries as contained in the Final Act;

4. To identify areas in which technical cooperation should be strengthened.

5. The Working Group shall carry out its mandate under the guidance of the Trade and Development Board and shall take into account in particular the Board's in-depth analysis and assessment of the outcome of the Uruguay Round.

6. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs.

7. The Working Group may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.